

DESTINATION:

Retirement

More efficient, more informative ... just for you

You spoke. We listened. In a recent survey, 80 percent of members said they read their quarterly PERF newsletter. But, more than 70 percent want more information about preparing for retirement.

That's why the old *Member News* has become *Destination: Retirement*.

"In this difficult economy, we've found more members expressing a strong interest in considering long-term plans for retirement," said PERF Executive Director Terren Magid. "By refining this newsletter, we can provide members more of the types of information they want from PERF."

With members looking more to PERF than any other source

for retirement information, Gov. Mitch Daniels noted the changes are clearly focused on more effectively meeting customer needs. "This is all about efficient use of resources," he said. "By listening to its customers and responding to their needs, PERF has made this newsletter a much more useful tool for members."

The re-tooled newsletter is full of information that is quick and easy to understand. Graphics and breakouts further emphasize important points and information.

Information on Dates to Remember for submitting retirement applications will be part of every newsletter. Frequently asked questions received by retirement services

23%

Percentage of PERF members who do not have definite financial goals to help them get ready for retirement.

consultants will serve as the basis for the Q&A and enhancements made by PERF will continue to be highlighted.

If you have questions regarding information in this newsletter, please call us toll-free at (888) 526-1687, e-mail us at questions@perf.in.gov or visit our Web site at www.perf.in.gov.



TERREN MAGID



GOV. MITCH DANIELS

Who Pays for 1977 Fund Benefits?

A retirement benefit **for life.** That's what the 1977 Fund is offering you.

So, how does it work? As a 1977 Fund member, two types of contributions fund your retirement.



Part I: Employer Contributions

An annual amount of 19.5 percent of base salary is contributed to the 1977 Fund by your employer.

Base salary is the salary of a first-class police officer or firefighter plus all longevity increases (if provided by the employer) for service of 20 years or less.

Part II: Employee Contributions

You, your employer or a combination of both make a 6 percent mandatory contribution to your retirement. Check with

your employer to see who is responsible for paying the 6 percent contribution.

More information about your retirement benefits can be found at www.perf.in.gov. You

can also e-mail inquiries to questions@perf.in.gov or call PERF direct at (888) 526-1687. Future issues of *Destination: Retirement* will feature similar information on other PERF funds.

- Guaranteed monthly income for **life** at retirement.
- Must meet age and service requirements for unreduced benefit.
- Receive a retirement benefit of at least 50 percent of base salary with 20 years of service.
- Receive additional 1 percent of base salary for each six months of service over 20 years for a total maximum benefit of 74 percent of base salary for retirees with 32 or more years of service.

1977 Police Officers' and Firefighters' Fund/Excise, Gaming and Conservation Plan

Do You Qualify for the Deferred Retirement Option Plan?

If you're contemplating retirement, you may want to consider an alternate retirement benefit option offered to members of the 1977 Fund and the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan.

The Deferred Retirement Option Plan (DROP) allows you to choose a retirement date while continuing to work. It provides a smaller lifetime monthly benefit payment after retirement (called a DROP

frozen benefit), but also pays you a lump sum when you retire at the end of your DROP period.

The DROP frozen benefit is calculated under the provisions of the applicable fund as of your DROP entry date. You may select the DROP election if you are eligible to receive an unreduced benefit.

Visit our Web site at www.perf.in.gov for more specific information related to both plans or contact our office at (888) 526-1687 with questions.

If you choose the DROP, you agree to the following:

- Execute an irrevocable election to retire on the DROP retirement date you select and remain in active service until that date.
- Continue to make contributions to the fund or retirement plan until your DROP retirement date.
- Select a DROP period for a minimum of 12 months, but not more than 36 months after the day you enter the DROP.



Q&A – Ask a Consultant

Q: I'm a member of the Judges' Retirement System (JRS). When can I take a distribution of my member contributions?

A: As a member of the 1977 JRS, you are entitled to receive a distribution of your total contributions if you terminate your service as a judge, submit a written application, and have less than 12 years of creditable service.

If you cease service as a judge under the 1985 JRS other than by death or disability, submit a written application and if you are not eligible for a retirement benefit, you are entitled to receive a distribution of your total contributions.

PERF is required to withhold 20 percent of any taxable portion of your account which is paid directly to you.

Q: I'm a member of the Prosecuting Attorneys' Retirement Fund (PARF). When can I take a distribution of my member contributions?

A: If you cease service in a PARF-covered position other than by death or disability and you are not eligible for retirement benefits, you are entitled to receive a distribution of your total contributions.

PARF is required to withhold 20 percent of any taxable portion of your account which is paid directly to you.

You can meet with a PERF counselor if you have questions. Call (888) 526-1687 to schedule an appointment.

How is the Economy Affecting PERF?

The ongoing global financial crisis continues to impact pension plans across the nation as well as individual Americans' retirement savings. PERF is no exception.

Despite the gloomy economic news, however, there are some positive notes for PERF members to consider when contemplating their retirement security.

- The fund's strong financial condition going into this recession allows PERF to assure members that PERF remains in solid financial shape. Its ability to pay benefits to current or future retirees, or other benefit recipients, is not impacted by the current market turmoil.
- PERF retirees' primary benefit comes from a defined benefit pension plan. This plan offers vested members the prospect of a lifetime retirement benefit that will not decrease because of market conditions.
- PERF's investments have performed better than the stock market. In fact, in seven of the last 10 years, PERF has experienced solid investment returns including four years of double-digit returns. For more information, go online to www.perf.in.gov and view the Investment Section of PERF's 2008 annual report.

Clearly the fund is not immune from the dramatic market drops of the past months and has certainly felt the pain of deflating investment values.

However, PERF is intentionally designed to weather market challenges and economic recessions. A strong asset allocation focused on diversification, combined with a prudent 30-plus-year investment horizon, means the fund is being managed to ensure members' future benefits are not at risk now or in the future.

The Future

Without doubt, PERF will continue to feel the impact of the global recession so long as these difficult economic conditions last. However, the fund remains in sound condition and is being prudently managed to ensure its ability to pay benefits to current and future retirees, and other benefit recipients. And, when market stability and growth return, PERF is well positioned to take prudent advantage of these improved conditions for the benefit of our members and employers.



143 West Market Street
Indianapolis, IN 46204

PRSRT STD
U.S. Postage
PAID
Indianapolis, IN
Permit No. 540

Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember online at www.perf.in.gov.

If your retirement date is:	Apply by:
Oct. 1, 2009	July 1, 2009
Nov. 1, 2009	Aug. 1, 2009
Dec. 1, 2009	Sept. 1, 2009
Jan. 1, 2010	Oct. 1, 2009
Feb. 1, 2010	Nov. 1, 2009



*We are committed to serve — through exceptional customer service
— our employers, our members and their families, in achieving their retirement
goals and financial security.*

Executive Director
Terren B. Magid

Every attempt has been made to verify that the information in this newsletter is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information in this publication and the law, the applicable law shall apply.